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LEASE
July 25-02

THIS LEASE, entered into this 25th day of July 2002, by and between
a sole proprietorship, and or assigns, as lessor (the "Lessor"), and Dolgencorp of Texas, Inc., a
Kentucky corporation, 100 Mission Ridge Goodlettsville, Tennessee 37072, as lessee (the
"Lessee").

WITNESSETH

1. **PREMISES.** Lessor represents and warrants that it owns lawful fee simple title to those certain premises, including a building measuring 9,975 square feet, located at 417 E. Main in the City of Robstown, County of Nueces, State of Texas 78380 and more particularly described in the legal description attached hereto as Exhibit "A" and made a part hereof, and as shown on the site plan attached hereto and made a part hereof as Exhibit "B". Lessor hereby leases the premises (the "Demised Premises") to Lessee on the following terms and conditions.

2. **TERM.** The term of this Lease shall be from October 1, 2002 through September 30, 2007 unless sooner terminated as provided or permitted herein. Provided it shall not be in default hereunder, Lessee shall be entitled to extend the term of this Lease for one (1) successive period of three (3) years each, upon the same terms and conditions as herein set forth, except as to term and rent. Lessee may extend this Lease by giving Lessor written notice as provided herein not less than ninety (90) days prior to the expiration of the original term. In the event Lessee does not give notice of exercising its right to renew this Lease, the succeeding renewals shall terminate. Lessee may use the Demised Premises for any lawful purpose.

3. **RENT.** The rental during the initial term shall be two thousand nine hundred and 00/100 (\$2,900.00) dollars per calendar month payable in advance on or before the first day of each month without offset or demand, except as otherwise provided herein.

The rental during the option period shall be three thousand one hundred fifty and 00/100 (\$3,150.00) dollars per calendar month payable in advance on or before the first day of each month

without offset or demand, except as otherwise provided herein.

Any rental amount not received within ten (10) days of the date due shall be assessed the lesser of (i) a \$100.00 late fee or (ii) 5% of the amount due.

The effective and binding date of this Lease shall be the date of execution, but that payment of the rent provided in this Lease shall commence on the earlier of:

(A) That date on which Lessee's store in the Demised Premises is open for business to the public; or

(B) That date sixty (60) days after the Lessor has delivered possession of the Demised Premises to Lessee.

Lessor shall have been deemed to have delivered possession of the Demised Premises when all work and renovation required to be performed by it as described in "Scope of Work", Exhibit "C", attached hereto and made a part hereof, is completed, and Lessor has notified Lessee in writing of this completion. Other provisions of this Lease notwithstanding, Lessor may not, without Lessee's written consent, deliver possession of the Demised Premises to Lessee between the dates of November 1 and December 31. Should Lessor complete its work in the Demised Premises after November 1 and prior to December 31, Lessee may fixture and stock the Demised Premises, but shall not be deemed to have accepted possession of the Demised Premises until January 1.

LESSOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLETE ALL OF ITS WORK AND RENOVATION OF THE DEMISED PREMISES AS DESCRIBED IN EXHIBIT "C" BY THE CLOSE OF BUSINESS ON ^{October 1, 2002} ~~SEPTEMBER 15, 2002~~ (the "Tenant Possession Date"), BUT SHALL NOT BE BETWEEN NOVEMBER 1 AND DECEMBER 31. IN THE EVENT LESSOR BREACHES THIS REPRESENTATION AND WARRANTY WITHOUT THIRTY (30) DAYS PRIOR WRITTEN NOTICE TO LESSEE, LESSEE SHALL DEDUCT FROM THE RENT THREE HUNDRED (\$300.00) DOLLARS PER DAY FOR EACH DAY IT IS DELAYED BEYOND THE TENANT POSSESSION DATE, BUT IN NO EVENT SHALL THE DEDUCTION BE LESS THAN ONE THOUSAND (\$1,000.00) DOLLARS.

4. LESSOR'S SCOPE OF WORK. See Exhibit "C". Lessee shall give Lessor notice of any punchlist items remaining incomplete after Lessee opens for business in the Demised Premises. In the event Lessor has not completed or corrected said punchlist items within fifteen (15) days after written notice from Lessee, Lessee shall have the right to complete or correct such items and

deduct the cost thereof from any monthly rentals thereafter payable.

5. **EXCLUSIVE USE COVENANT.** If property contiguous to the Demised Premises is owned or developed by Lessor for commercial purposes, Lessor covenants and agrees not to lease, rent, occupy, or allow to be occupied, any such property owned or developed by it for the purpose of conducting business as or for use as either: (a) a Family Dollar Store, Bill's Dollar Store, Bonus Dollar, Fred's, Dollar Tree or Super Ten; or, (b) a food store or a food department, or for the sale for off-premises consumption of groceries, meats, produce, dairy products, bakery products or any of them; provided, however, that nothing contained in this Lease shall prevent any tenant on the contiguous property from selling such products as an incidental part of its other and principal business so long as the total number of square feet devoted by such tenant to the display for sale of such products does not exceed five percent (5%) of the total number of square feet of building area leased by such tenant (including one-half (1/2) of the aisle space adjacent to any display area).

Should Lessee, or a subtenant or assignee of Lessee, intentionally cease to conduct business in the Demised Premises, this covenant shall then terminate one hundred eighty (180) days from the date of cessation of the business. This covenant shall run with the land.

Lessor acknowledges that in the event of any breach hereof Lessee's remedies at law would be inadequate and therefore, and in that event, Lessee shall be entitled to cancel this Lease or to relief by injunction, or otherwise, as Lessee may elect in its sole discretion. Lessee's remedies, in any event, shall be cumulative rather than exclusive.

6. **MAINTENANCE.** Lessor represents and warrants: (1) the Demised Premises are, to the best of Lessor's knowledge, well built, properly constructed, structurally safe and sound; (2) during the term of this Lease and any renewals hereof, it will so maintain them; and, (3) the Demised Premises conform to all applicable requirements of the Americans with Disabilities Act of 1990, as amended, Pub. L. 101-336, 42 U.S.C. 12101 ~~et seq~~. Lessor shall maintain at its cost and expense in good condition and shall perform all necessary maintenance, repair, and replacement to the exterior of the premises including, but not limited to, the roof, all paved areas, foundation, floors, walls, all interior and exterior utility lines and pipes, and all other structural portions of the building during the term of this Lease and any renewal periods. Lessee assumes liability for damage to plate glass windows and doors except when caused by latent defects, or Lessor, its agents, employees, or contractors. Lessee shall maintain the interior of the premises during the term of this Lease and any renewal periods and shall return the building to Lessor thereafter in its same condition, ordinary wear and

tear excepted. Lessor has the right and responsibility to enter the Demised Premises periodically, at any reasonable time, to inspect the condition of the premises and to make repairs. All repairs, restorations, or payments which are obligations of Lessor, shall be completed or made within a reasonable time. Should Lessor neglect or refuse to make or commence such repairs, restorations, or payments within thirty (30) days after written notice has been given by Lessee, Lessee, without liability or forfeiture of its term or terms herein, may make or perform such construction, repairs, restorations, maintenance, or payments, and deduct the cost thereof and the cost of damage to Lessee's property from the rent or other monies thereafter payable. Any such deduction shall not constitute a default by Lessee unless Lessee shall fail to pay the amount of such deduction to Lessor within thirty (30) days after a final adjudication by a court of competent jurisdiction that such amount is owing to Lessor. Any repairs or other work done by Lessor shall be performed so as to cause the least interference possible with Lessee's operation.

7. **LESSOR'S INSURANCE.** Subject to the provisions of Section 38, Lessor agrees to carry commercial general liability insurance, including contractual liability, personal and bodily injury, and property damage insurance, on the Demised Premises, with a combined single limit in an amount sufficient to protect Lessor and Lessee, but in no event will such insurance be in an amount less than a combined single limit of \$2,000,000 per occurrence. Lessee shall be named as an additional insured under Lessor's insurance subject to the provisions of this Lease. Lessor shall provide Lessee with a certificate of insurance evidencing such coverage prior to the tenant possession date. Lessor's insurance shall contain a clause stating that there shall be no reduction, cancellation, or non-renewal of coverage without giving Lessee thirty (30) days prior written notice. Such insurance shall also be endorsed to provide that the insurance shall be primary to and not contributory to any similar insurance carried by Lessee, and shall contain a severability of interest clause. Unless caused solely by the negligence of Lessee, its agents, employees, or contractors, any claims, causes of actions, or judgments for damage to property and any claim, cause of action, or judgment arising from or out of the injury or death of any person while on the Demised Premises shall be the responsibility of Lessor, and Lessor agrees to indemnify and hold Lessee harmless from such claims, causes of action or judgments. Lessor's indemnification of Lessee is one of first defense and payment, not of reimbursement or surety. Lessor's indemnification of Lessee includes any expenses and attorneys' fees which the Lessee may incur in defending any such claims. Lessor's indemnification of Lessee shall in no way be limited by or to Lessors insurance. Lessor's

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indemnification of Lessee shall survive expiration or termination of this Lease.

8. **LESSEE'S INSURANCE.** At all times Lessee occupies the Demised Premises, Lessee shall, at its sole cost and subject to the terms of this Lease, carry and maintain general liability with general aggregate amount and per occurrence limit insurance insuring Lessee against claims for injury, wrongful death, or property damage occurring in the Demised Premises with limits of not less than \$2,000,000 per occurrence and an aggregate of \$5,000,000. Lessee may provide the insurance herein required in any blanket policy or policies which it carries. Lessor shall be named as an additional insured under Lessee's insurance subject to the provisions of this Lease. By the tenant possession date, Lessee shall provide Lessor with a certificate of insurance as evidence of such coverage. Lessee's insurance shall contain a clause stating that there shall be no reduction, cancellation, or non-renewal of coverage without giving Lessor thirty (30) days prior written notice.

9. **FIXTURES AND EQUIPMENT.** Lessor shall at all times furnish heating, lighting, plumbing and air conditioning equipment in the Demised Premises and shall be responsible for the cost of major repairs and replacement of all such equipment in excess of five hundred and 00/100 \$500.00 per occurrence. Lessee shall be responsible for the entire cost of minor repairs and routine maintenance, and the first five hundred and 00/100 \$500.00 of major repairs and replacements per occurrence. Lessee shall at all times have the right to remove any fixture or item of equipment installed by it in the Demised Premises. Lessor warrants to Lessee that upon acceptance of the Demised Premises the present condition of the premises will be in good order, and that all plumbing and sewage facilities, all mechanical equipment, including but not limited to, air conditioning, heating, and sprinkler system, if any, is operative and mechanically sound. Lessor will, at its cost and expense, supply any apparatus, appliance, or material and will cause any work to be done in and about the Demised Premises which may be required or ordered by any lawful authority, unless required as a result of Lessee's specific use of the Demised Premises.

10. **ENTRANCES.** Lessee shall have unrestricted use and access to all entrances, passways, and delivery lanes to the Demised Premises and easements adjacent thereto.

11. **UTILITIES.** Lessee shall have the right to select its utility service providers, and shall pay for all utilities used by it in the Demised Premises during the term of this Lease and any renewal periods thereof.

12. **TAXES AND ASSESSMENTS.** Lessor shall pay at its cost and expense all taxes, assessments (including special assessments), and charges of a similar nature which may be levied

by any governmental entity with respect to the premises. Lessee shall pay at its cost and expense all personal property taxes and assessments which may be levied by any governmental entity with respect to Lessee's merchandise inventory, trade fixtures, or business operation.

13. ASSIGNMENT AND SUBLETTING. Except as provided below, Lessee may not assign or sublet the Demised Premises without the prior written consent of the Lessor. Lessor covenants that its consent shall not be unreasonably withheld. Following any subletting or assignment the Lessee shall not be relieved from any of the terms and conditions of this Lease. After such subletting or assignment, the word Lessee as used herein shall mean any such subtenant or assignee. Lessee shall, however, have the right, without Lessor's consent, to enter into an assignment of this Lease or a sublease of the Demised Premises to the parent corporation of Lessee, any subsidiary corporation or other entity of Lessee, any affiliated entity of Lessee or Lessee's parent corporation, any corporation or entity succeeding to substantially all of the assets of Lessee as a result of a consolidation or merger, or a corporation or entity to which a portion of the assets of Lessee have been sold; provided, however, that the other corporation or entity shall assume in writing Lessee's obligations hereunder.

14. SIGNS. Lessor agrees that it will permit Lessee to place its standard black and yellow internally illuminated 3' x 23' box sign as shown on Exhibit "D" attached to and made a part thereof, on the exterior of the Demised Premises. Lessee may replace such sign from time to time with its then current standard sign type. Lessee agrees that any exterior signs it installs pursuant to this provision shall be in compliance with applicable governmental regulations, if any.

15. SATELLITE COMMUNICATIONS SYSTEM. Lessor agrees that at any time during the term of this Lease, Lessee shall have the right to install at or on the Demised Premises a satellite communications antenna and related equipment (the "Equipment"). If Lessee shall install such Equipment, Lessee shall do so at its own cost and expense and in accordance with all applicable laws, rules and regulations. Additionally, Lessee shall defend, indemnify, and hold Lessor harmless from and against any claims, costs, or expenses incurred by Lessor as a result of such installation, use or removal by Lessee. If Lessee shall install the Equipment, Lessee shall be responsible for the maintenance and repair thereof, at Lessee's sole cost. At the expiration or other termination of this Lease, the Equipment shall remain the property of Lessee, and may be removed by Lessee, provided that Lessee shall repair any damage caused by such removal.

Lessor acknowledges that the satellite communications system is an important and integral part of Lessee's business, and is required to be operational when Lessee is open for business. Lessor agrees to take all reasonable steps necessary for the timely approval of Lessee's specific satellite antenna installation plan, if such approval is required by any governmental authority or agency.

16. **DAMAGE TO BUILDING.** If all or any portion of the Demised Premises shall be condemned by lawful authority as unsafe or unfit for use, or if they become partially or wholly destroyed or damaged by fire or other casualty such as to render them untenable, this Lease shall, at the option of either party, terminate unless the Demised Premises can be repaired or restored within sixty (60) days. During any such reconstruction period the Lease shall be continued but the rent shall be abated during the period of time while the premises cannot be occupied. Should the Demised Premises be damaged but remain tenantable, Lessor shall immediately repair the damage, and there shall be an equitable abatement of rent during the period of repair or restoration.

17. **ALTERATIONS.** Lessee shall not make any structural alterations or additions to the Demised Premises without first obtaining the Lessor's written consent, which consent shall not be unreasonably withheld. At the expiration of the Lease, Lessee shall remove all non-structural alterations which were made in the Demised Premises by the Lessee and which are designated by Lessor for removal. Lessor shall notify Lessee in writing at least thirty (30) days prior to the end of the term or any extensions of this Lease of the alterations, if any, it designates for removal. Lessee shall repair any damage caused by removal of the alterations.

18. **MECHANICS LIENS.** Lessee shall not allow, and Lessor shall not be responsible for any mechanics liens filed against the Demised Premises arising from work performed, or materials supplied to the Demised Premises by Lessee or Lessee's agents, employees, contractors, subcontractors or materialmen. Lessee agrees to fully indemnify and hold harmless Lessor from and against any such claims and liens, and Lessee shall bond off or pay the same within the applicable statutory period.

19. **COMPLIANCE WITH LAWS.** Lessor shall, at Lessor's sole cost and expense, comply with all codes and requirements of all county, municipal, state and federal laws and regulations, now in force, or which may hereafter be in force, which pertain to the physical, structural, or environmental condition of the Demised Premises including, without limitation, laws and regulations pertaining to disabled persons, asbestos, radon and hazardous substances. In the event asbestos or any substance deemed hazardous by a governing authority (provided such hazardous substance has not been

introduced by Lessee) is required by applicable law to be removed from the Demised Premises, Lessor shall perform such removal at its own cost and expense. Lessee shall, at Lessee's sole cost and expense, comply with all codes and requirements of all county, municipal, state and federal laws and regulations, now in force, or which during the term hereof may be in force, and which pertain to Lessee's specific use of the Demised Premises.

20. **CONDEMNATION.** In the event the Demised Premises or any portion thereof are taken in Condemnation Proceedings, Lessee may cancel the Lease without further liability on the part of Lessee. Such cancellation shall be Lessee's sole remedy. In the event Lessee retains the premises, Lessor will restore the remaining premises to proper tenantable condition forthwith. Until the premises are restored to proper tenantable condition, rental shall abate. Thereafter, rental shall be reduced in proportion to the reduction in the area of the premises so taken. Nothing herein shall be deemed a waiver of the sole right of Lessee to any award for damages to it or to its leasehold interest caused by such taking whether made separately or as a part of a general award. For purposes of this paragraph, the term "Condemnation Proceedings" shall include conveyances and grants made in anticipation of or in lieu of condemnation proceedings; however, no claim by Lessee shall be used to reduce any award due to Lessor.

21. **DEFAULT.** A. **LESSEE'S DEFAULT.** I. If Lessee defaults in the performance of any obligation under this Lease, Lessor may give notice to Lessee specifying the nature of the default. If Lessee does not, within thirty (30) days after receipt of the notice, cure the default, other than a default in the payment of rent or other charges, or, if the default is of a nature that it cannot reasonably be cured within a period of thirty (30) days, and Lessee does not commence and proceed with reasonable diligence and in good faith to cure the default, then after the expiration of the thirty (30) day period (or longer period for certain defaults) Lessor shall have the right to seek damages or an injunction. If Lessee does not, within fifteen (15) days after receipt of the notice, cure a default in the payment of rent or other charges, then after the expiration of the fifteen (15) day period Lessor shall give a second notice to Lessee, and if Lessee does not, within five (5) days after receipt of the second notice, cure the default, then after the expiration of the second five (5) day period Lessor may exercise any or all remedies available at law or equity as to the default and/or serve notice of termination upon Lessee, but only during the continuance of the default, stating the date of termination, which shall be at least thirty (30) days after the date on which the notice of termination is received by Lessee, and upon the date specified in the notice this Lease and the term hereof shall

cease and expire (provided the default shall not have been cured by that date) and Lessee shall then quit and surrender the Demised Premises, but Lessee shall remain liable as hereinafter provided.

II. If this Lease and the term hereof shall cease and expire pursuant to subsection I of this Lease Section, Lessor may dispossess or remove Lessee or any other occupant of the Demised Premises by summary proceedings or otherwise, remove their effects and hold the Demised Premises as if this Lease had not been made, except that after the dispossession or removal, (1) the fixed monthly rent and other charges shall be paid up to the date of the dispossession or removal, (2) Lessor may relet the Demised Premises or any part or parts thereof in the name of Lessor for a term or terms which may, at the option of Lessor, be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease and (3) Lessee shall pay to Lessor, as liquidated damages, any deficiency between the fixed monthly rent and other charges due hereunder and the amount, if any, of the rents collected on account of the new lease or leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease (not including any extension periods the commencement of which shall not have occurred prior to the dispossession or removal). In computing liquidated damages, there shall be added to the deficiency the reasonable expenses which Lessor incurs in connection with reletting the Demised Premises, for reasonable attorneys' fees, reasonable brokerage fees and for keeping the Demised Premises in good order for reletting (but not renovation costs). The liquidated damages shall be paid by Lessee in monthly installments on the dates specified in this Lease for payment of fixed monthly rent, and any suit brought to collect the amount of the deficiency for any month or months shall not prejudice in any way the rights of Lessor to collect the deficiency for any subsequent month or months by a similar proceeding. Lessor shall not be liable for failure to re-let, for failure to collect the rent under the re-letting, unless Lessor shall not have used reasonable efforts to promptly re-let the Demised Premises for the reasonable rental value thereof and to collect the rent under the re-letting.

B. LESSOR'S DEFAULT. 1. If Lessor shall be in default hereunder, Lessee, after thirty (30) days notice that Lessee intends to cure the default (or without notice if in Lessee's reasonable judgment an emergency shall exist) shall have the right, but not the obligation, to cure the default, and Lessor shall pay to Lessee upon demand the reasonable cost thereof, and Lessee may deduct same from any payments for rent or additional rent. Except when in Lessee's reasonable judgment an emergency shall exist, Lessee shall not commence to cure any default of a nature that could not

reasonably be cured within a period of thirty (30) days, provided Lessor shall have commenced to cure the default within the cure period and so long as Lessor proceeds with reasonable diligence and in good faith to cure the default.

22. **HOLDING OVER.** Any holding over by Lessee beyond the original term of this Lease or any renewal period thereof shall give rise to a tenancy from month to month on the same terms and conditions contained herein and shall be cancelable by either party with a thirty (30) day notice to the other.

23. **MUTUAL RELEASE.** Except as otherwise provided herein, Lessee hereby releases Lessor from all liability resulting from loss or damage caused by fire or other hazards to Lessee's contents in the Demised Premises even if such fire or other hazards shall be brought about by the negligent act or omission of the Lessor, its agents, or employees. Lessor hereby releases the Lessee from any and all liability for any loss or damage caused by fire or other hazards to the Demised Premises even if such fire or other casualty shall be brought about by the negligent act or omission of the Lessee, its agents, or employees. Lessor and Lessee agree that all insurance policies shall include a clause waiving rights of subrogation against the other.

24. **QUIET POSSESSION.** Lessor covenants that it will put Lessee into complete and exclusive possession of the Demised Premises, free from all orders, restrictions and notices of any public or quasi-public authority, and that if Lessee shall pay the rental and perform all the covenants and provisions of this Lease to be performed by Lessee, the Lessee shall, during the term demised and any renewal periods, freely, peaceably and quietly occupy and enjoy the full possession of the Demised Premises, and the tenements and appurtenances thereto belonging, and the rights and privileges granted without hindrance. In addition, Lessor agrees to indemnify, defend, and hold Lessee harmless from any and all claims seeking to prevent Lessee from quiet and complete possession of the Demised Premises. If at any time during the term demised the title of the Lessor shall fail or for any reason it shall appear that Lessor is unable to make this Lease for the term on the conditions set forth, the Lessee shall, in addition to all remedies available at law or in equity, have the right at Lessor's expense to correct any default or terminate this Lease.

25. **RENT PAYMENT.** Make rent checks payable to Lessor or his assigns, and mail them to the following address. 4/4-02-7234 ✓ 1-25-02

26. **LESSEE'S BUSINESS OPERATION.** Lessor and Lessee agree that nothing in this Lease shall be construed to imply that Lessee is required to conduct its business in any particular manner

or for any specified number of hours per day or week, or to limit the number of hours per day or week that Lessee may operate in the Demised Premises, or as creating an implied or expressed obligation upon Lessee to continuously occupy or operate a business in the Demised Premises.

27. **HOLD HARMLESS.** Lessor agrees to hold Lessee harmless from any and all claims which may arise from, on, in or about the Demised Premises when such claims arise out of or are caused in whole or in part by a defective, dangerous, or unsafe condition of the premises, equipment, fixtures, or appurtenances required by the terms hereof to be maintained by Lessor. Lessee agrees to hold Lessor harmless from any and all claims which may arise in the Demised Premises when such claims arise out of or are caused in whole or in part by a defective, dangerous, or unsafe condition of the premises, equipment, fixtures, or appurtenances required by the terms hereof to be maintained by Lessee.

28. **NOTICES.** All notices required under this Lease shall be given and deemed to have been properly served if delivered in writing personally, by certified mail, by a nationally recognized overnight courier providing signed proof of delivery, or via facsimile with proof of transmission to Lessor and to Lessee at 100 Mission Ridge, Goodlettsville, Tennessee 37072, Attention: Director of Store Growth and Development or such other place or places as either of them may designate in writing to the other from time to time. Date of service of a notice served by mail shall be the date on which such notice is deposited in a post-office of the United States Post Office Department. Date of service by any other method shall be the date of receipt. Final execution and delivery of this Lease is in the State of Tennessee and shall be construed in accordance with the laws of the state where the Demised Premises are located, notwithstanding its conflict of laws provisions. Venue shall be in the Nueces County, Texas.

29. **ESTOPPEL CERTIFICATES.** Upon the reasonable request of either party, Lessor and Lessee agree to execute and deliver to the other within ten (10) days after receipt of the request, a written instrument, (a) certifying that this Lease has not been modified and is in full force and effect or, if there has been a modification of this Lease, that this Lease is in full force and effect as modified, stating such modifications; (b) stating that the fixed monthly rent has not been paid more than thirty (30) days in advance, or if so, the date to which it has been paid; (c) stating whether or not, to the knowledge of the party executing the instrument, the other party hereto is in default and, if the party is in default, stating the nature of the default; and (d) stating the date of this Lease.

30. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT. Lessee agrees that this Lease shall, at Lessor's request, be subject and subordinate to any first mortgage or deed of trust hereafter placed upon the Demised Premises upon the condition that the mortgagee or holder of a deed of trust provide Lessee with an acceptable non-disturbance agreement in a form satisfactory to Lessee with respect to the mortgage or deed of trust.

The non-disturbance agreement shall be an agreement in recordable form between Lessee, Lessor, and the holder of the mortgage or deed of trust, binding on the holder and on future holders, and shall provide, among other things, that, so long as this Lease shall be in full force and effect: (a) all condemnation awards and proceeds of Lessor's fire and extended casualty insurance shall be applied or paid in the manner set forth in this Lease; (b) neither the holder or any other holder of a mortgage or deed of trust encumbering the Demised Premises shall name or join Lessee as a party-defendant or otherwise in any suit, action or proceeding to enforce the mortgage or deed of trust, nor will this Lease be terminated (except as permitted by the provisions of the Lease) or otherwise affect the possession of the Demised Premises by Lessee by the enforcement of any rights given to the mortgagee or holder of the deed of trust and (c) and the holder will not be bound by Lessee's payment of any rent or additional rent beyond the then current rent period.

31. INVALIDITY OF CERTAIN PROVISIONS. If any provisions of this Lease shall be invalid or unenforceable, the remainder of the provisions of this Lease shall not be affected and every other provision of this Lease shall be enforceable to the fullest extent permitted by law.

32. NO WAIVER. The failure of the Lessor or Lessee to insist upon the strict performance of any provisions of this Lease, or the failure of Lessor or Lessee to exercise any right, option or remedy contained in this Lease shall not be construed as a waiver for the future of any such provision, right, option, or remedy, or as a waiver of any subsequent breach. No provision of this Lease shall be deemed to have been waived unless such waiver shall be in writing signed by the party to be charged.

33. FORCE MAJEURE. If either party shall be prevented or delayed from punctually performing any obligation or satisfying any condition under this Lease by any strike, lockout, labor dispute, inability to obtain labor or materials, Act of God, governmental restriction, regulation or control, enemy or hostile governmental action, civil commotion, insurrection, sabotage, fire or other casualty, then the time to perform the obligation or satisfy the condition shall be extended for a

period of time equal in length to the length of the event.

34. **CAPTIONS.** All captions and headings are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Lease.

35. **ENTIRE AGREEMENT.** This instrument and its attachments, if any, contain the entire agreement between the parties and there are no covenants, express or implied, except as contained herein. No statement, promise or inducement made by either party or agent of either party that is not contained in this written agreement shall be valid or binding. No waiver of any condition or covenant of this Lease by either party shall be deemed to imply or constitute a further waiver of the same or any other condition or covenant of the Lease.

36. **BINDING EFFECT.** This Lease shall bind and inure to the benefit of the parties hereto, their heirs, successors, executors, administrators, and assigns.

37. **REAL ESTATE TAXES.** Lessee shall reimburse Lessor for general real estate taxes (excluding special assessments) paid by Lessor for the Demised Premises. In no event shall Lessee's share exceed \$.45 per square foot of the Demised Premises, which contains 9,975 square feet. Lessor will furnish Lessee photostatic copies of any tax bills paid by it and records reasonably necessary to calculate the obligation of Lessee, and Lessor further agrees to join Lessee in appealing any unreasonable tax assessment.

Lessor shall notify Lessee in writing within ten (10) days of receipt of any notice that real estate taxes are to be increased and, in the event Lessee so elects, Lessor shall join with Lessee in proceedings to protest such increase.

Lessor agrees to pay all taxes before delinquency and shall further obtain all savings offered for early payment. Lessee shall not be obligated to pay any portion of any penalty for delinquent payment nor for a saving which could have been realized for discounted early payment. Any payment due hereunder shall be prorated as of the termination or expiration date of this Lease.

Lessor's failure to submit to Lessee the request for reimbursement within six (6) months after the end of the annual tax year shall nullify Lessor's right to collect from Lessee the reimbursement for that particular tax year.

38. **INSURANCE.** Lessor agrees to carry comprehensive general liability insurance on the

premises with a combined single limit for bodily injury, personal injury, and property damage of not less than \$2,000,000 per occurrence. Lessor further agrees to maintain fire, casualty and extended coverage insurance on the building in an amount equal to at least 80% of the insurable value of the property. The insurer(s) shall have a Best rating of at least A XIV or, if not Best rated, be of an equivalent financial size and underwriting reputation. Lessee shall be named an additional insured in the policies and Lessor shall furnish to Lessee current certificates of insurance evidencing such insurance on ACORD 27 form and the policies shall contain a provision that there will be no cancellation, reduction or non-renewal in coverage without first giving Lessee thirty (30) days prior written notice.

Lessee shall reimburse Lessor for insurance premiums paid by Lessor for the Demised Premises. Lessor shall bill Lessee within sixty (60) days of the date of Lessor's payment of premiums which billings shall be accompanied by legible copies as of the paid premium invoices and such additional information as may be necessary to calculate Lessee's share. If Lessor fails to bill Lessee within six (6) months of the date of Lessor's payment of a premium, Lessee's reimbursement obligation for that premium shall thereupon be extinguished.

Lessor shall use due diligence and good faith to obtain the insurance at a rate favorable to Lessee and upon Lessee's request, Lessor shall obtain competitive quotations from at least three insurance companies. If requested by Lessee, Lessor shall promptly furnish Lessee documentation of Lessor's efforts to obtain favorable insurance rates and copies of competitive quotations.

39. HVAC PREVENTATIVE MAINTENANCE. Lessee shall keep in force, at its sole cost, during the term hereof and any renewal periods a maintenance contract covering the heating, ventilating, and air conditioning system. The contract shall provide for quarterly servicing of all such equipment and shall be with a contractor reasonably acceptable to Lessor. Lessee shall provide Lessor with a copy of the maintenance contract at any time Lessor may request.

40. CONSIDERATION. As a consideration for the leasing of the Demised Premises Lessee shall pay to Lessor \$23,000.00 as follows: within fifteen (15) days of the execution of this Lease, Lessee shall send to Lessor a check in the amount of \$11,500.00, which represents one-half of the amount of the consideration. Lessee shall forward Lessor the remaining one-half, \$11,500.00, within fifteen (15) days after receipt of written notice to Lessee at Dolgencorp Inc., (Attention: Director of

Legal Location of the total property:

LOTS 22, 23 & 24, OUT OF BLOCK 38
ROBSTOWN TOWNSITE
VOLUME A, PAGE 80,
NUECES COUNTY MAP RECORDS
NUECES COUNTY, TEXAS

Legal Description of the Demised Premises:

9,975 Square Feet (0.2290 Acres) out of
LOTS 22, 23 & 24, Block 38
ROBSTOWN, TOWNSITE
VOLUME A, PAGE 80,
NUECES COUNTY MAP RECORDS
NUECES COUNTY, TEXAS;

Said 9,975 square feet (0.2290 acres) being more particularly described as follows:

Beginning at a point on the north right-of-way line of Main Avenue, an 80-foot right-of-way and the south line of Block 38, said point being the southwest corner of Lot 24, Block 38, and the southeast corner of lot 25, Block 38 of the Robstown Townsite, a map being recorded in Volume A, Page 80 of the Nueces

County Map Records, from whence the southwest corner of Block 38 Bears West, 200.00 feet, for the southwest corner of this tract;

Thence North, along the east line of said Lot 25, the west line of said Lot 24, and the west line of this tract, 140.00 feet to a point on the south line of a 20-foot alley, said point also being the northeast corner of said Lot 25, the northwest corner of Lot 24, for the northwest corner of this tract;

Thence East, along the south line of said 20-foot alley, the upper north line of this tract, the north line of Lots 24 & 25, 49.38 feet to a point for the upper northeast corner of this tract;

Thence, South 20.50 feet to a point for an interior corner of this tract;

Thence East 28.61 feet to a point on the east line of said Lot 22, the west line of Lot 21, Block 38 for the lower northeast corner of this tract;

Thence South, along the east line of said Lot 22 and the west line of said Lot 21, and the east line of this tract, 119.50 feet to a point being the southeast corner of said Lot 22, the southwest corner of said Lot 21, said point also being on the north right-of-way line of said Main Avenue, the south line of Block 38, and the south line of this tract for the southeast corner of this tract;

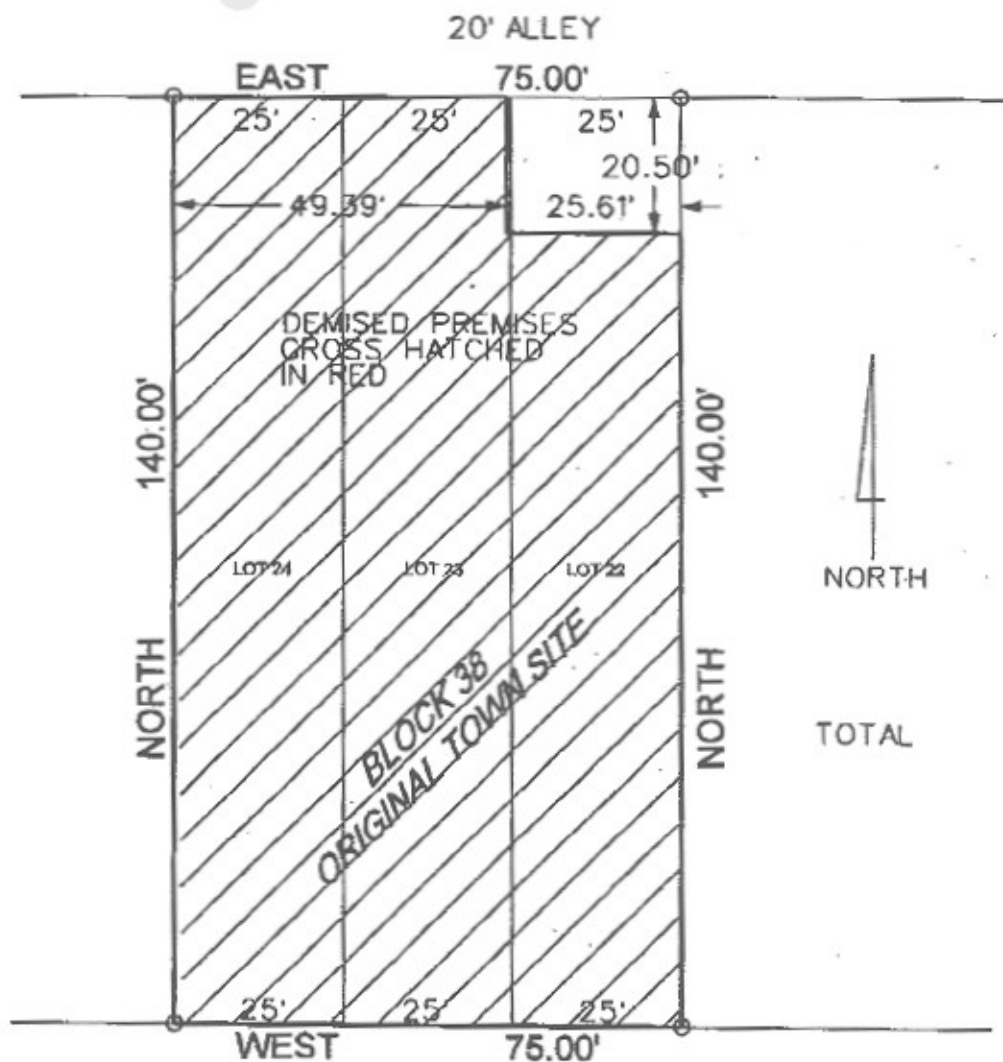
Thence, West, along the north right-of-way line of Main Avenue, the south line of Block 38, the south line of this tract, 75.00 feet to the Point of Beginning and containing 9,975 square feet (0.2290 acres).

Please refer to Exhibits A & B for a better understanding of the legal description. I have written the above field notes to facilitate your effort. Please call should you require additional information.

Thank you.

Victor Gutierrez

Exhibit "A"

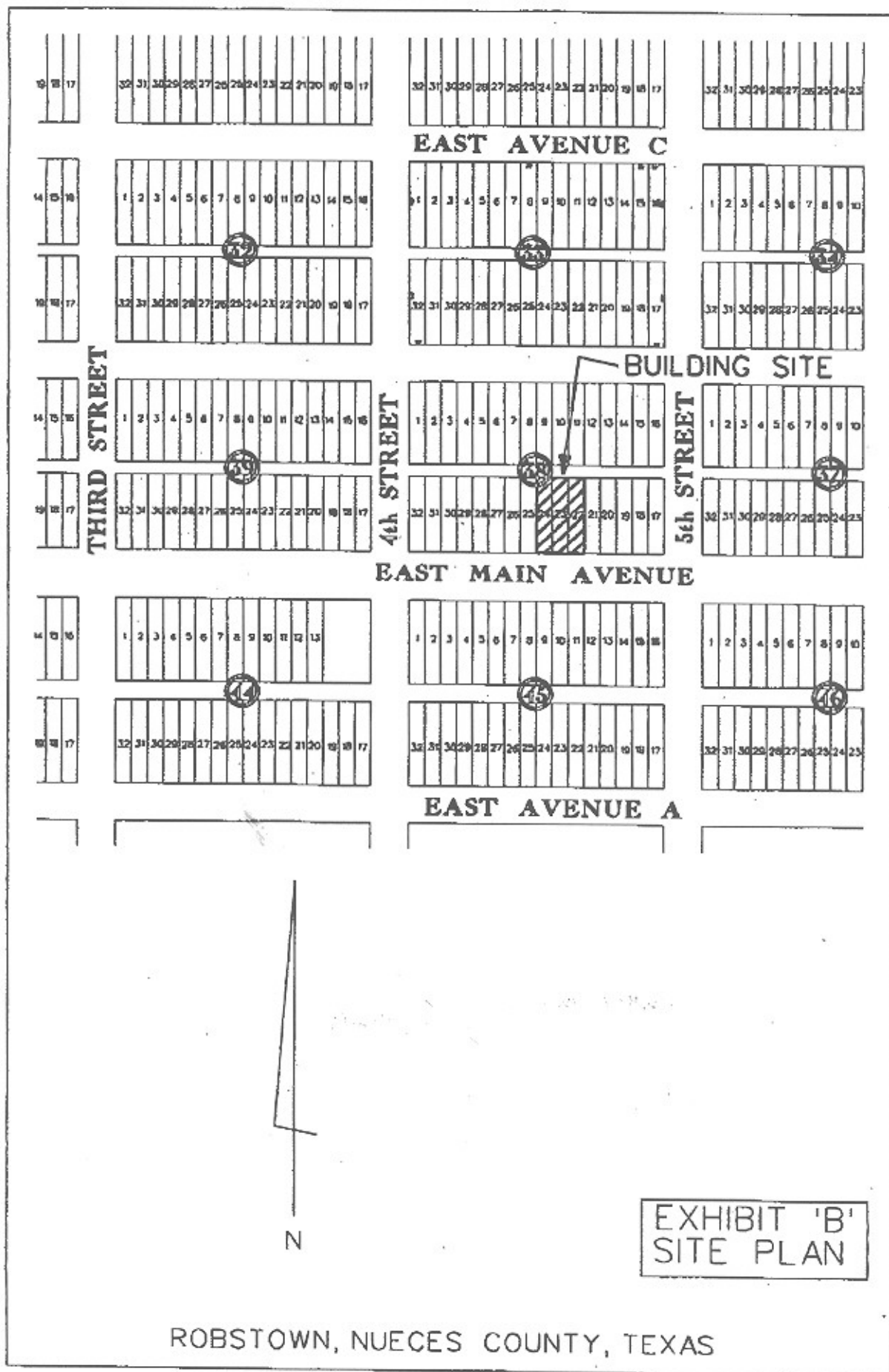


417 EAST MAIN AVENUE
ROBSTOWN, NUECES COUNTY, TEXAS 78380

TOTAL LAND AREA: 10,500 SF
DEMISED PREMISES: 9,975 SF

ROBSTOWN, NUECES COUNTY, TEXAS

EXHIBIT 1A
8



Part of Work - Exhibit "C"
Robstown, TX

Lessee shall complete, at its own expense, all items listed below that are designated as Lessor's responsibility and/or as further described in Lessor's Permit or Plans attached hereto for reference only. All work must meet or exceed governing codes, such as fire, building, ASHRAE, ADA, health, etc. If deployment of a load-bearing or structural wall is required by Lessor, Lessor reserves the right to consider this agreement null and void. All systems equipment, etc. provided by Lessor must be totally functional in good working order and in compliance with all applicable codes. Lessor shall meet all conditions prior to the building being considered as delivered to Lessee as ready for occupancy.

Lessor:

1. **Roof & Building:**
 - warrant that the roof is waterproof
 - warrant that the demised premises is waterproof
 - all roof penetrations to be sealed and finished to match building exterior
 - provide in broom-clean condition
 - remove and dispose of existing fixtures and equipment
2. **Parking:**
 - No parking lot, street parking only, with spaces to be properly striped by city with handicap spaces to be provided as applicable codes require
 - provide adequate pole and/or wall lighting for night vision around receiving and dumpster areas
 - free of trash and vegetation
 - well-drained and in good condition
 - easily accessible by Lessee's trucks and customers with sufficient turning radius to allow for a 75' plus tractor-trailer delivery to Lessee's stock room receiving area
3. **Freight Doors, Delivery Doors and Exits:**
 - doors, in good condition, water-tight and rodent-proof with seals and sweeps
 - provide panic hardware mechanism(s) per code, complete with audible alarm and emergency release
 - install panic hardware mechanism(s) per code, complete with audible alarm and emergency release
 - ADA and fire code compliant building access per state and local code
4. **Exterior Walls:**
 - in good repair and free of graffiti
 - free of existing signs
 - all wall penetrations to be sealed and finished to match building exterior
5. **Storefront:**
 - sufficient to support Lessee's sign
 - canopy, in good condition (needs some repair), over storefront doors
 - install canopy lights in good working order
 - sidewalk in good repair with ADA-compliant handicap ramp and access as per code
 - storefront doors, water-tight and rodent-proof, with seals, sweeps and cart "bumpers"

Revision: 7/24/02

Part of Work - Exhibit "C"
Robstown, TX

- windows free of cracks, water-tight and wind-tight
6. Water & Gas Service:
- dedicated to the demised premises only
 - one-metered services complete to demised premises and operational
 - in good working order for 90 days after possession of premises by Lessee
 - in compliance with all applicable codes
 - free of excess gas lines-sealed off and removed from the surface of all walls, ceilings and floors
7. Restrooms & Plumbing:
- dedicated to the demised premises only
 - demolish restroom in lessee's future stock area, install new 7' x 8' restroom in northeast corner of stockroom area on the same level as the sales floor
 - in compliance with ADA standards and all applicable codes
 - complete and in good working order for 90 days after possession of premises by Lessee
 - seal excess plumbing lines sealed and removed from the surface of all walls, ceilings and floors
 - provide and install exhaust fans/vents in the restrooms per applicable codes
 - construct restroom walls as per applicable codes
 - provide door closers for restroom doors
 - install door closers on restroom doors
 - provide a mop sink (per codes)
 - install a mop sink (per codes)
 - provide stub up lines and install drains for mop sink, per code
 - provide a water heater (minimum of six (6) to ten (10) gallons--larger if code requires)
 - install water heater (minimum of six (6) to ten (10) gallons--larger if code requires)
 - provide stub up lines and install drains and electrical wiring for water heater, per code
 - provide a water fountain (ADA-accessible, if required by city)
 - install a water fountain (ADA-accessible, if required by city)
 - provide stub up lines and install drains and electrical wiring for water fountain, per code
8. HVAC System:
- dedicated to demised premises only
 - in compliance with all applicable codes
 - units located on the outside of the store
 - operational and in a good state of repair, including duct work, diffusers, wiring, etc., for 90 days after possession of the demised premises by Lessee

Revision: 7/24/02

Scope of Work - Exhibit "C"
Robstown, TX

- sufficient to heat and cool demised premises, as determined by technician, taking in consideration insulation in walls and/or ceiling (refer to Page A1.04 of Lessee's Prototype Plans for HVAC sizing minimums)
- return air located in the ceiling or in wall(s) at or above 7' AFF
- thermostats located on a support column, within 1' of stockroom door frame (on either side of frame or above frame)

9. **Electrical Service & Wiring:**

- minimum 400 amp (larger if required by applicable codes)
- service and wiring to be in compliance with all applicable codes
- one-metered service complete to demised premises and operational
- dedicated to the demised premises only
- electrical panel(s) located in the stockroom area
- electrical panel(s) to be labeled correctly and in legible print
- all floor plugs sealed and removed and finished to match floor covering
- all excess wiring cut and capped as per code and removed from the surface of all walls, ceilings and floors
- provide conduit from panel to center of sign canopy or j-box to be centered on building, conduit is to be 1" and have one set of 10/2 wire with ground and a 20 amp breaker at panel for storefront (per Page A1.01 of Lessee's Prototype Plans)
- circuit, electrical conduit and wiring complete with one set of 10/2 wire with ground for Lessee's pylon sign (sign company to contact responsible party with the location of the pylon sign)
- timer/photo cell combination to be installed for canopy lights and building sign (refer to Page A1.04 of Lessee's Prototype Plans for wiring schematic)
- provide and install power poles for registers with two (2) 20 amp dedicated circuits and two (2) 20 amp standard circuits; two (2) individual power poles are acceptable (one (1) four-channel is preferred), if two (2) power poles are used, each pole will have one (1) dedicated duplex receptacle and one (1) standard duplex receptacle
- receptacles for refrigeration units and other receptacles are to be placed per Lessee's Prototype Plans Pages G1.01 and A1.01
- provide one (1) circuits for manager's office
- provide receptacle(s) for manager's office

• **Interior Lighting:**

Existing Lighting System:

- repair existing light fixtures to include replacement of bulbs and ballasts to operational condition
- add/install 8' light fixtures as needed to existing lighting pattern
- remove existing lighting in stockroom and install 48"(6 x 8') of stockroom lights

10. **Emergency & Exit Lighting:**

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Scope of Work - Exhibit "C"
Robstown, TX

- provide emergency lighting as required by all applicable codes
 - install emergency lighting as required by all applicable codes
 - provide exit lighting as required by all applicable codes
 - install exit lighting as required by all applicable codes
11. **Phone Wiring.**
- provide and install conduit through exterior wall at location near the electrical panel (for telephone service provider's connection)
 - provide and install four (4) 24 ga four-pair, Category-Five (Cat 5) phone cables (see Lessee's Prototype Plans Pages G1.01, A1.01 and A1.04 for explanation and illustration)
12. **Interior Walls & Doors:**
- in good repair, free all signs, decorations and graffiti, ready for paint
 - demo existing elevated office in front corner of sales floor
 - construct 3 LF of interior wall to seal 3' opening from sales area to stockroom area which landlord is keeping, construct 3 LF of interior wall to seal 3' opening from stock area landlord is keeping to lessee's stock area, both ready to paint and per governing codes
 - "fixture wall" to be installed by opening crew in lieu of permanent stockroom wall, only if allowed by applicable codes—Lessor is responsible for determining whether a "fixture wall" will be allowed per code
 - if required by applicable codes, construct a fire corridor (per codes) for direct, unobstructed exit from the sales area via the stockroom
 - paint sales area and restrooms as per following information, using Sherwin Williams Pro Mar 400 (latex, semi-gloss), Product No. B31W404, Antique White color (pre-mixed, shelf stock product) or comparable product: sales area to be painted floor-to-ceiling including columns, on the front wall and within 30" of all doorways, windows, corners or obtrusions into the sales floor; the remainder of the sales area walls are to be painted between 6' AFF and ceiling line; restrooms to be painted in their entirety; stockroom area to be painted only where applicable codes require (utilizing the type of paint required by applicable codes) and/or where a "fixture wall" is used in lieu of a permanent stockroom wall
13. **Ceiling Grid & Tile:**
- paint existing ceiling
 - replace missing, stained or damaged ceiling tile
14. **Sprinkler System**
No system existing:
- if required by applicable codes, provide and install a sprinkler system to be in compliance with all said codes
15. **Floor Tile:**
- remove all existing floor covering from sales area

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- if asbestos is present abate as per applicable codes
- prepare 6814 SF of floor for installation of floor tile in sales area
- install floor tile for the sales area and restrooms
- provide and install standard, black, rubber base in office, break room, restrooms, hallway and sales area (along the entire front wall and on the remaining walls within 30" of all doorways, windows, corners or obstructions into the sales floor)
- existing floor tile in good condition and acceptable, ready to be stripped and waxed

Lessee:

1. Provide and install exterior signage (building and pylon).
2. Provide and install a satellite communications antenna and related equipment.
3. Provide and install display fixtures
4. Perform HVAC inspection
5. Install fixture wall 92' north of and parallel to storefront windows, with 4' stockroom door located 11' east of west demising wall.
6. Lessee to provide Lessor with the following materials
 - 6814 SF of floor tile
 - approximately fifty 8' XP light fixtures and tubes
 - cash contribution of \$23,000
 - reimburse Lessor for 6000 sf of 1' x 1' ceiling tile
 - mop sink and faucet
 - panic hardware and exit lights for storefront and rear freight door
 - water heater

All work performed by Lessee under Lease, or on the behalf of the tenant, must be performed at least to the minimum standards of the area with commercial-grade materials or better, and all work must be performed to the ruling codes, laws, ordinances and regulations. Lessee warrants that the Lessor's space is in compliance with all federal, state and local codes, laws, ordinances and regulations at the time of turnover to Lessee for Lessor's use. Lessor further warrants that its building will be kept in compliance with all federal, state and local codes, laws, ordinances and regulations. Lessor warrants that no materials are present that might be considered hazardous to man or environmentally unsafe upon Lessee taking possession of the premises.

In addition to Lessor's remedies as outlined in Section 3 of the Lease, Lessee, if delayed in opening for business in the demised premises due to Lessor not completing its work as outlined herein, shall give Lessor five (5) days prior written notice, and if Lessee has not completed its work within the five (5) days, Lessee may complete Lessor's work and deduct the cost thereof from rent thereafter payable.